

EXHIBIT A

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3

4 SECURITIES AND EXCHANGE)
COMMISSION,)

5)
6 Plaintiff,)

7 v.)

) Civ. No.15-cv-894 (WHP)

8 CALEDONIAN BANK LTC.,)

9 CALEDONIAN SECURITIES LTD.,)

CLEAR WATER SECURITIES, INC.,)

10 LEGACY GLOBAL MARKETS S.A., and)

VERDMONT CAPITAL, S.A.)

11 Defendants.)
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13

14 VIDEOTAPED DEPOSITION OF TAYLOR HOUSSEY

15 London, United Kingdom

16 April 7, 2016
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Reported by:

24 Audrey Shirley,

QRR, ACR, MBIVR

25 JOB No. 1604070J

10:05:44 1 did the math, if we took the shares by the share
10:05:46 2 price, the net proceeds and then added that
10:05:49 3 together, that would all balance out. Is that --

10:05:52 4 A. If the math was done correctly --

10:05:54 5 Q. Yeah.

10:05:55 6 A. -- yes, that would --

10:05:56 7 Q. Okay.

10:05:57 8 A. -- that would -- should be it.

10:06:00 9 Q. So "client fees", is that

10:06:02 10 a per-transaction charge?

10:06:03 11 A. Yeah. Our system had a \$25 ticket
10:06:07 12 charge on every -- every trade done.

10:06:09 13 Q. Okay.

10:06:10 14 A. It was to -- to help defray
10:06:13 15 settlement costs.

10:06:13 16 Q. Then "gross commission" being
10:06:15 17 simply adding those two together?

10:06:16 18 A. That -- that's correct.

10:06:18 19 Q. "Broker commission paid" in the
10:06:20 20 next column, that's the commission that was paid
10:06:24 21 to the in-house broker at Verdmont whose client
10:06:28 22 was executing the trade; is that correct?

10:06:32 23 A. Yes, that appears to be correct.

10:06:34 24 The broker was not paid on the \$25 charge, that
10:06:38 25 was -- went to the --

10:07:27 1 if it was some ...

10:07:28 2 A. Yeah, like -- like if we take the
10:07:29 3 first line, for example, on this page 6, it --
10:07:32 4 142.20 and half of that is 71.10.

10:07:35 5 Q. And so for all of these we could
10:07:36 6 just do the math and --

10:07:38 7 A. Yeah.

10:07:38 8 Q. -- figure it out? Okay.

10:07:40 9 The "counterparty commission", who is
10:07:41 10 that getting paid to?

10:07:43 11 A. That's the cost of -- of -- of
10:07:45 12 executing the trade at the -- at the executing
10:07:47 13 broker.

10:07:47 14 Q. Okay. And then "settlement". So
10:07:52 15 that would be for example, Knight or Sunrise/Puma
10:07:55 16 or UBS for example?

10:07:57 17 A. That would be -- yeah, that would
10:07:58 18 be their com -- we call that the market
10:08:00 19 commission.

10:08:01 20 Q. Okay.

10:08:01 21 A. The counterparty commission. What
10:08:03 22 that -- what the executing -- the broker that
10:08:06 23 actually executed the trade, what they charged.

10:08:10 24 Q. Okay. And then "settlement fees"?

10:08:12 25 A. That would be the fee at the

10:08:16 1 custodian. They -- they would have a flat-rate
10:08:20 2 fee. It looks like at this time it was -- that
10:08:22 3 was RBC, it was \$14. So the -- the -- the person
10:08:26 4 where the trade settled to had a -- had
10:08:29 5 a per-transaction --

10:08:29 6 Q. Okay.

10:08:29 7 A. -- charge.

10:08:31 8 Q. And then the final column is once
10:08:34 9 you've subtracted the Vermont broker commission,
10:08:39 10 the commission from the counterparty executing
10:08:41 11 the trade, the settlement fees to, at this time,
10:08:45 12 RBC is then the net revenue to the entity
10:08:48 13 Vermont; is that correct?

10:08:51 14 A. Revenue -- yeah, net revenue of --
10:08:54 15 of -- of the sales -- cost of sales sort of
10:08:56 16 thing, but obviously not net revenue of all the
10:08:59 17 fixed expenses --

10:08:59 18 Q. Correct.

10:09:00 19 A. -- or anything like that.

10:09:00 20 Q. Got you.

10:09:01 21 A. Yeah.

10:09:02 22 Q. And then if you can just go back
10:09:06 23 to these first couple of pages --

10:09:07 24 A. Uh-huh.

10:09:07 25 Q. -- and feel free to just go

10:09:13 1 through I think it'll be all the first four
10:09:14 2 pages.

10:09:14 3 A. Okay.

10:09:14 4 Q. So 2 through 5. It lists the
10:09:17 5 different client information on the left and then
10:09:19 6 the various securities.

10:09:20 7 This chart only applies to Lornex,
10:09:23 8 Bamfield and Nautilus; is that correct?

10:09:31 9 A. You're asking me if this document
10:09:32 10 only --

10:09:33 11 Q. Correct.

10:09:34 12 A. Yeah.

10:09:34 13 Q. So this doesn't reflect --

10:09:37 14 A. You're correct.

10:09:37 15 Q. -- doesn't reflect any commissions
10:09:39 16 to Verdmont from other clients that were trading
10:09:41 17 in the relevant securities; is that correct?

10:09:44 18 A. That's correct.

10:09:45 19 Q. What approximately was your
10:10:02 20 percentage ownership of Verdmont?

10:10:05 21 A. Roughly 34.5 percent.

10:10:07 22 Q. Did that change over time or was
10:10:09 23 that constant from founding?

10:10:12 24 A. Well, when we -- we founded it we
10:10:16 25 were 50/50 partners and then it was diluted as --